

Feedback sought on reforms to local government election costs

The Independent Pricing and Regulatory Tribunal (IPART) is seeking feedback on its recommended changes to what councils pay for local government election services provided by the NSW Electoral Commission (NSWEC).

In a draft report released today, IPART is recommending a \$2.6 million (4.5%) reduction to the NSWEC's proposed costs to provide its election services for the 2020 local government election services. The savings would result from:

- Reducing the NSWEC's operating costs for local government elections by \$8.8 million (or 15.6%), to \$47.7 million, compared to the \$56.5 million it proposed, and
- Adding \$6.2 million of capital expenditure and overheads required to run local government elections, which were not included in the NSWEC's proposal.

Despite this saving relative to the NSWEC's proposal, councils opting to use the NSW Electoral Commission next year would pay on average 62% more than they did when council elections were held in 2016 and 2017 if our draft recommendations are adopted. This is because the NSW Government provided funding to cover some of the operating costs of the 2016-17 elections. IPART is recommending that for the 2020 elections, councils, rather than NSW taxpayers, pay the full efficient costs of the election services they receive.

IPART Chair Dr Paul Paterson said the introduction of cost-reflective pricing would change the allocation of costs between councils to better reflect the actual costs of providing services, and encourage greater competition in the provision of election services. IPART has also recommended supporting reforms that would give councils more choice in how they obtain the election services they need.

"Councils have had the option of using private providers since 2011 and can also choose to administer their own elections," Dr Paterson said.

"Despite this, most councils continue to opt for the services provided by the NSWEC as taxpayer subsidies make it difficult for alternative existing and potential election service providers to compete, even though councils that have used alternative providers in the past have been able to find cost savings."

"We are proposing a pricing approach and other measures that are aimed at enhancing the scope for competition in the supply of election services, which over time has the potential to increase innovation, provide councils with more choice and reduce costs. Cost-reflective prices would also help to ensure the NSWEC's costs of administering local government elections are transparent and subject to appropriate scrutiny," Dr Paterson said.

IPART's draft report and recommendations are available at ipart.nsw.gov.au. A public forum will be held on 2 July and submissions in response to the Draft Report accepted until 19 July. Final recommendations will be made to the Minister for Local Government by 30 August 2019.